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HOUSE RESOLUTION

2           WHEREAS, High injury and death rates related to the  
3 Industrial Revolution spurred dissatisfaction among employees  
4 and employers; and

5           WHEREAS, The first modern workers' compensation law  
6 originated in Germany in 1884, whereby a compulsory system of  
7 accident insurance was created for high-risk occupations, and  
8 Wisconsin was the first state to enact a comprehensive workers'  
9 compensation law, with every state following by 1948; and

10           WHEREAS, In 1909, the Cherry Mining Diaster killed 259 men  
11 and boys, inciting public outrage toward the working conditions  
12 and compensation for workers harmed on the job, and in response  
13 to this tragedy, the Illinois General Assembly enacted the  
14 Illinois' Workers' Compensation Act in 1911; and

15           WHEREAS, This Act represented a "grand bargain" between  
16 labor and employers, establishing a "no-fault" system to  
17 provide for swift and fair compensation for injuries occurring  
18 in the workplace in exchange for workers' forfeiture of rights  
19 to common law actions against their employers; this "no-fault"  
20 system shields employers from being subjected to litigation  
21 brought by injured employees and protects employers from costs  
22 for pain and suffering, punitive damages, and other remedies

1 that are available under common law; and

2 WHEREAS, Workers' compensation insurance is a lifeline for  
3 injured employees who, despite their injuries, must continue to  
4 provide for themselves and their families; and

5 WHEREAS, Over 99% of Illinois' employers carry insurance to  
6 cover the costs associated with workers' compensation claims;  
7 and

8 WHEREAS, The Illinois' Workers' Compensation Act was  
9 amended in 2011, forcing injured workers to surrender  
10 significant benefits, with the intent to reduce premium costs  
11 that Illinois' employers pay for their workers' compensation  
12 insurance, and as a result, employers have netted \$315 million  
13 in savings as a result of the 2011 legislation; and

14 WHEREAS, The Illinois Workers' Compensation Commission  
15 noted in its 2013 Fiscal Year annual report that the 2011  
16 legislation "produced demonstrable improvements to the  
17 workers' compensation environment in Illinois"; and

18 WHEREAS, According to a study published by the Oregon  
19 Department of Consumer and Business Services, Illinois has  
20 experienced a 24% reduction in workers' compensation rates  
21 between 2013 and 2014, representing the steepest drop in the

1 nation; the National Council on Compensation Insurance, the  
2 insurance industry rate-making agency upon which Illinois  
3 relies for rate recommendations, has recommended premium rate  
4 reductions of nearly 20% since 2011; a 20% premium rate  
5 reduction, if fully implemented by insurers, would result in  
6 premium savings to Illinois employers of nearly \$1 billion; and

7 WHEREAS, Illinois has a robust workers' compensation  
8 insurance industry, with 330 companies offering insurance to  
9 employers, representing the second-most profitable line of  
10 insurance that is marketed; workers' compensation insurers do  
11 not disclose their rate-making formulas; and

12 WHEREAS, Annual workers' compensation claims in Illinois  
13 have dropped from 62,000 in 2003 to 42,500 in 2013,  
14 representing a 31% decrease in a 10-year period; and

15 WHEREAS, Illinois wages substantially outpace those of  
16 other Midwestern states; workers' compensation indemnity  
17 benefits directly correlate to wages earned and are responsible  
18 for 50% of workers' compensation costs; and

19 WHEREAS, High wages are desirable for the State and are one  
20 of the strongest measurable indicators of economic vitality;  
21 and

1           WHEREAS, Further reductions in benefits for injured  
2 employees would create additional harm to those employees and  
3 their families, placing them in deeper financial peril and  
4 possible ruin; such financial peril results in a cost-shift to  
5 government-funded safety nets and entitlement programs; and

6           WHEREAS, Illinois has made great strides in its effort to  
7 reduce costs within the workers' compensation system;  
8 therefore, be it

9           RESOLVED, BY THE HOUSE OF REPRESENTATIVES OF THE  
10 NINETY-NINTH GENERAL ASSEMBLY OF THE STATE OF ILLINOIS, that we  
11 value the workforce of Illinois and recognize that labor is the  
12 engine which drives the State's economy; and be it further

13           RESOLVED, That injured employees, who have provided their  
14 labor and made sacrifices for the betterment of the State and  
15 its economy, should not be threatened or confronted with  
16 additional benefit reductions through further changes to the  
17 Illinois Workers' Compensation Act.